



Is Air Canada Stock Cleared for Takeoff in February 2023?

Description

Analysts expected 2022 to be a spectacular year for the aviation industry, as many travel plans were postponed, and the economy was reviving. However, various factors, such as a lack of human resources, increased fuel costs, and higher labour costs proved the prediction wrong.

Also, flight booking cancellations owing to harsh weather and climate crises in winter in the U.S. and U.K. resulted in an overall setback for the aviation stocks for a short period. However, travel demand is still expected to increase in 2023, leading to expectations that airlines may look more like [growth stocks](#) than the laggards they've been of late. Thus, this might be the perfect opportunity to invest in some of the best aviation stocks still trading near their pandemic lows.

So, should you invest in **Air Canada** ([TSX:AC](#)) in 2023?

Let's dive in.

Analysts predict Air Canada to break out in early 2023

When the airline industry fell in 2020, Air Canada was no exception. It has been three years since the fall, and this stock is yet to show any major improvement. Factors such as geopolitical concerns, Covid travel restrictions, and rising fuel prices are keeping investors at bay from buying this stock.

However, some top analysts are keeping this stock in their portfolio as a top pick for 2023, as they are optimistic about its recent movements. This airline reported better results in its third-quarter results declared in October 2022. It shows an increase in revenue, which is almost doubling on a yearly basis, of \$5.322 billion and earnings before interest, taxes, depreciation, and amortization of 19.9%.

Also, the airline industry has a brighter year ahead in 2023 and is yet to witness profitability, as per experts. Analysts expect the global airline market to earn a net profit of \$4.7 billion on revenue of \$779 billion.

How high could Air Canada stock soar this year?

Recent sharp gains in Air Canada stocks could be a result of a sudden increase in renewed purchases of Canadian [growth stocks](#). In the third quarter, which ended in September 2022, AC showed profit since the beginning of the pandemic. Its total revenue surged by 153% on a year-over-year basis.

Air Canada has a market capitalization of \$7.8 billion and trades at around \$21 per share.

Bottom line

It is difficult to predict how Air Canada stock will perform in 2023. Also, many experts and banks have forecasted Canada and the U.S. to enter a moderate recessionary period in 2023. However, keeping the company's strong fundamentals in mind, this could be a worthwhile investment for investors with long-term objectives at this price.

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